



**Gladstone**  
Airport Corporation

# Annual Report 2024



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## **DIRECTORS' REPORT**

The Directors present their report, together with the financial statements, on Gladstone Airport Corporation for the financial year ended 30 June 2024.

### **Directors**

The names of the Directors in office during the financial year and up to the date of this report were:

Mrs Adrienne Ward (Chairperson)

Mrs Tina Zawila

Mr Richard Hansen

Mrs Dayna Field

Mr Anthony Groen-int-woud (appointed on 01/07/2023)

Mr Kieran Donovan (appointed on 01/07/2023) Cr Glen Churchill (appointed on 23/04/2024)

### **Review of Operations**

Gladstone Airport Corporation (GAC) is wholly owned by Gladstone Regional Council (GRC). GAC has operated since 1 July 2012 upon transfer of assets and liabilities and operational responsibilities for the ongoing conduct of the business at Gladstone Airport from GRC.

In FY24 our business returned to a more predictable and stable operation, benefiting everyone who relies on us: our passengers, airlines, tenants, community, staff and shareholder. With passenger numbers increasing, GAC is showing strong signs of recovery which has set a solid foundation for the coming financial year.

The Corporation reported an operating profit before tax of \$1.774M, excluding fair value adjustments.

GAC also continues to seek Government Grant Funding to support its continued capital expenditure and investment in the future of Gladstone and its community.

### **Significant Changes in the State of Affairs**

There have been no circumstances or events outside what has already been disclosed in this annual report that have significantly affected or may significantly affect the entity's operations or the results of those operations in the future financial years.

### **Principal Activities**

The principal activities of GAC during the financial year were ownership and operation of the Gladstone Airport and its related facilities and services. No significant change in the nature of these activities occurred during the year.

### **Events Subsequent to the End of the Reporting Period**

There have been no circumstances or events, outside what has already been disclosed in this annual report, that has significantly affected, or may significantly affect the entity's operations or the results of those operations in future financial years.

### **Environmental Regulation**

GAC strives to minimise its environmental impact and implement sustainable business practices. In accomplishing this, it works diligently to continually improve its awareness and management of environmental risks and promotes the open exchange of environmental information with its customers, suppliers and the community to obtain feedback on its environmental performance. GAC ensures that environmental best practice is encouraged and integrated into its business and its work practices, promoting waste minimisation, water conservation and energy conservation in its daily operations.

## **DIRECTORS' REPORT (continued)**

### **Environmental Regulation (continued)**

GAC is regulated by significant environmental regulations under laws of the Commonwealth and/or State.

GAC will comply with relevant environmental legislation, regulation and licence standards in all its operations and environmentally sensitive activities. Relevant environmental regulations and policies include:

*Environmental Protection Act 1994*

*Environmental Protection Regulation 2019*

*Environmental Protection (Air) Policy 2019*

*Environmental Protection (Noise) Policy 2019*

*Environmental Protection (Water and Wetland Biodiversity) Policy 2019*

*State Planning Policy 1/02: Development in the Vicinity of Certain Airports and Aviation Facilities*

*Nature Conservation Act 1992*

*Nature Conservation (Animals) Regulation 2020*

*National Greenhouse and Energy Reporting Act 2007*

### **Dividends**

A dividend was paid during the year totalling \$1,073,456 (2023: Nil).

### **Directors**

The Directors during the financial year were:



#### **Adrienne Ward**

Adrienne was appointed to the Board of Directors of Gladstone Airport Corporation on 20 September 2016.

Adrienne has an extensive background in Corporate and Government Strategy. Along with her husband, she currently owns a number of businesses in Gladstone and has previously worked in State and National roles within organisations such as Accenture, Westpac Banking Corporation and Leighton Contractors.

Adrienne is a passionate advocate and contributor to both Gladstone and Queensland. Her current roles include Chairman, Gladstone Area Water Board; and Chairman, MIU Animation.

Adrienne is also a member of the Public Transport Fares Advisory Panel - DTMR Qld, Advisory Member - Australian Institute of Company Directors (AICD) CQld and Ambassador for The Women in Business Awards of Australia.

Adrienne was also awarded The Centenary Medal in 2003 for Distinguished Service and Achievement in Business and Commerce and is a former Telstra Businesswoman of the Year.



#### **Anthony Groen-int-woud**

Anthony is the managing director of Multitrade Building Hire and Multitrade, holding these positions for over 17 years. His primary focus has been on working in the heavy industrial sites of the Central Queensland region, where he has demonstrated a steadfast commitment to fostering a positive organisational culture and prioritising workplace health and safety. Additionally, Anthony serves as a non-executive director for several other small businesses and actively contributes to various sporting committees within the Gladstone community.

A native of Gladstone, Anthony began his career by completing a trade in Plumbing and Drainage. He furthered his training to obtain a Certificate 4 in building and construction, subsequently becoming a licensed builder in Queensland. Anthony's passion for the general aviation industry is evident, as he holds a PPL (Private Pilot License) and has operated an aircraft for over 5 years. This experience has provided him with valuable insights into the benefits of aviation for small businesses and a deep understanding of airport operations and opportunities.

Anthony has completed the Australian Institute of Company Directors Course and has joined the board of the Gladstone Airport Corporation in 2023.

**DIRECTORS' REPORT (continued)****Directors (continued)****Richard Hansen**

Rick Hansen was a former Councillor for the Gladstone City Council and the Gladstone Regional Council. He was appointed as a Director of Gladstone Airport Corporation on 5 April 2016 and sits on the GAC Finance and Audit Committee and the GAC Risk and Compliance Committee. Rick has been involved in the community extensively having worked in major industry for over 20 years, owned and managed a small business for over 20 years and represented the community in Council for the past 18 years. He is still heavily involved with community work and holds positions on several boards in the Gladstone region.

**Tina Zawila**

Tina was appointed to the Board of Directors of Gladstone Airport Corporation on 1 July 2017. She chairs the Finance and Audit Committee and is a member of the Nominations and Remuneration Committee.

As a Director of UHY Haines Norton CQ Pty Ltd, Tina is passionate about empowering people and organisations to achieve their goals, objectives and financial success. Tina has over 35 years' experience in the finance industry as a Chartered Accountant, Financial and Business Advisor.

Tina is a Non-Executive Director of the Central Queensland Hospital and Health Board and is the Chair of the Finance and Performance Committee and is a member of the Executive Committees. She was also appointed as a Non-Executive Director of the Gladstone Area Water Board in December 2021 and is the Chair of the Audit and Finance Committee. Tina is also a member of the CQU Audit and Risk Committee since March 2023.

An active member of our local community, Tina holds various voluntary roles in not-for-profit organisations, including her current role as the first female board member, Non-Executive Director, Deputy Chair and Company Secretary of Gladstone Area Group Apprentices Limited. Tina is a Non-Executive Director of Clava Pty Ltd trading as Yaralla Sports Club.

Tina holds a Bachelor of Business (Accounting) with Distinction and Diploma of Financial Planning. She has completed the Australian Institute of Company Directors course and is a Fellow of the Institute of Managers and Leaders.

**Kieran Donovan**

Kieran is a specialist advisor who works at the intersection of strategy, capital and sustainability, helping boards, directors and executives to manage risk and realise opportunities in highly-dynamic and heavily-regulated environments.

Prior to founding Lower Capital, he led the operation and international expansion of Avalon Airport and worked with the United Nations, where on a short-term contract, he provided strategic advice on aviation infrastructure development in conflict and post-conflict states.

With decades of experience in aviation across the public and private sectors, Kieran has deep and unique insight into the impacts, opportunities and value airports generate from environmental, social and economic perspectives.

He holds a Bachelor of Engineering (Civil), a Bachelor of Science and a Master of Business Administration from Melbourne Business School and is a Graduate of the Australian Institute of Company Directors. Kieran joined the GAC board in 2023.

## DIRECTORS' REPORT (continued)

### Directors (continued)



#### **Councillor Glenn Churchill**

Cr Churchill has been an active resident of the greater Gladstone Region and Central Queensland for well over 30 years. He has gained extensive experience, knowledge, education, and wisdom in 20 years in Local Government as a Mayor and Councillor.

Together with his wife Sue and family, Cr Churchill has served the business, sporting, NFP (not-for-profit) charity, tourism and communities of our region through many different avenues in public life.

He has been a long-time Chairman of the Gladstone Police Citizens Youth Club (PCYC), Diamond Life member of the Queensland Police-Citizens Youth Welfare Association (QPCYWA) and spent seven years appointed GAPDL CEO, and State Tourism CEOs forum advocating for our Region and an additional seven years as an honorary Board Member.

Cr Churchill is current Chair for five years of our Gladstone Regional Arts Development Fund Board (RADF), appointed Chair of Disaster Recovery Committee (Infrastructure), active member of the Saiki Sister City Committee International Friendship, Gladstone Safe Night Precinct, past Chair of our Region's Planning and Development Committee, past Director of the Gladstone Airport Corporation Board. Over his time in Local Govt was elected by CQ LGs representing all Central Qld Local Governments on the LGAQ State Executive.

Cr Churchill is also a Life Member and volunteer of various other local community-based charity and not-for profit organisations. He previously protected the community for 27 years as a Queensland Police Officer and is currently elected Honorary President of the Gladstone Region Queensland Retired Police Association. He strongly believes and advocates in giving back to the community as a volunteer. Is a qualified teaching / performing percussionist with the International Percussion Society, Gladstone Thistle Pipes and Drums and active local performing arts with group SAND and providing tutelage / mentoring to the next generation.

Cr Churchill strongly believes in working together in harmony to help foster a culture of civic pride in the region and its communities, valuing the contribution of our various industries, community groups, rural producers, recognising the very vital work Council does every day with support, innovation, connection and diversity for the benefit of region and communities.

#### **Boards, Committees, Groups**

- Saiki Sister City Advisory Committee
- Gladstone PCYC Management Committee
- Gladstone Safe Night Precinct Public Consultative Committee
- Regional Arts Development Fund Committee (RADF).



#### **Dayna Field**

Dayna is a legal, risk and governance senior leader and advisor with deep experience supporting organisations and their boards to navigate complex and highly regulated industries.

With 14 years' experience within the Virgin Australia Group she served as the Chief Legal and Risk Officer including throughout the turbulent period of the pandemic during which Virgin Australia entered voluntary administration, conducted a rapid sale process and re-emerged under the ownership of private equity group Bain Capital.

She is currently supporting a focus on risk culture within the higher education sector as General Counsel for Griffith University as well as being a member of the Sustainability Committee, Health Safety and Wellbeing Committee and Cyber Security Committee.

She started her career as a corporate lawyer in global law firm Allens Linklaters however her executive and non-executive roles have encompassed integrity, corporate governance, privacy, sustainability, risk and resilience, workplace relations, insurance, internal audit, people and culture, business strategy and government affairs across a number of sectors.

Dayna holds a Bachelor of Commerce, Bachelor of Laws, Graduate Diploma of Legal Practice and is admitted to practice by the Qld Supreme Court and High Court of Australia. She has also completed the Australian Institute of Company Directors course.

Dayna joined the GAC board in 2022 and is also a member of the GAC Risk and Compliance Committee and Nominations, Remuneration and HR Committee.

The number of Directors' meetings (including meetings of Committees of Directors) and the number of meetings attended by each of the Directors of GAC during the financial year were:

Director	Board Meetings		Finance & Audit		Risk & Compliance		Nomination, Remuneration & Human Resources	
	A	B	A	B	A	B	A	B
Mrs A Ward	4	4	4	4	-	-	1	1
Mrs T Zawila	5	5	4	4	-	-	1	1
Mr R A Hansen	5	5	4	4	4	4	-	-
Mrs D Field	5	5	-	-	4	4	-	-
Mr K Donovan	5	5	-	-	4	4	-	-
Mr A Groen-int-woud	5	5	3	3	-	-	-	-
Cr G Churchill	1	1	-	-	1	1	-	-

**A** - Number of meetings attended.

**B** - The number of meetings held during the time the Director held office during the year, reduced by approved leave of absence.

The current chairperson for each of the committees mentioned above are listed below:

Finance and Audit  
 Risk and Compliance  
 Nominations, Remuneration and Human Resources

Mrs Tina Zawila  
 Mrs Dayna Field  
 Mrs Adrienne Ward



## **DIRECTORS' REPORT (continued)**

### **Indemnification of Officers**

GAC has paid insurance premiums during the year in respect of Directors' and Officers' liability for Directors and Officers of GAC. The insurance premiums relate to:

- costs and expenses incurred by relevant officers in defending proceedings, whether civil or criminal whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

GAC has entered into a Deed of Indemnity, Insurance and Access with Directors and Officers. Pursuant to the Deed, GAC undertakes to:

- maintain certain documents and to provide Directors and Officers access to those documents;
- indemnify the Directors and Officers for certain liabilities; and
- maintain an insurance policy covering the Directors and Officers.

No other indemnities have been given or insurance premiums paid for indemnities for any person who is or has been an Officer or Auditor of GAC.

### **Proceedings on Behalf of Corporation**

No person has applied for leave of Court to bring proceedings on behalf of GAC or intervene in any proceedings to which GAC is a party for the purpose of taking responsibility on behalf of GAC for all or any part of those proceedings.

GAC was not a party to any such proceedings during the year.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.



Mrs A Ward  
Chair

Dated this 14th day of October 2024



**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2024**

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from continuing operations</b>			
Operating revenue	2	11,028	9,780
Interest income		630	383
Grant revenue		247	214
Other income		6	-
<b>Total revenue</b>		<b>11,911</b>	<b>10,377</b>
<b>Expenses from continuing operations</b>			
Retail cost of goods sold		84	
Auditor's remuneration		40	38
Employee and other benefits	3 (b)	2,445	2,008
Services and utilities		915	824
Repairs and maintenance		1,039	353
Administration, marketing and other expenses		2,156	1,656
Finance costs	3 (a)	1,610	1,642
Depreciation	7,18	1,722	1,555
Revaluation of property, plant and equipment	7	(4,224)	(5,209)
Loss/(profit) on disposal of fixed assets		126	(60)
<b>Total expenses</b>		<b>5,913</b>	<b>2,807</b>
<b>Net profit before income tax equivalents</b>		<b>5,998</b>	<b>7,570</b>
<b>Income tax equivalent (expense)/benefit</b>	4	(669)	2,071
<b>Net profit after income tax equivalents</b>		<b>5,329</b>	<b>9,641</b>
<b>Other comprehensive income</b>			
Revaluation of property, plant and equipment	7	473	428
Income tax equivalents	4	(118)	(107)
<b>Total other comprehensive income</b>		<b>355</b>	<b>321</b>
<b>Total comprehensive income for the year</b>		<b>5,684</b>	<b>9,962</b>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Statement of Financial Position**  
**As at 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	12,682	12,519
Trade and other receivables	6	1,351	2,035
Inventories		7	-
Prepayments		294	287
<b>Total current assets</b>		<b>14,334</b>	<b>14,841</b>
<b>Non- current assets</b>			
Property, plant and equipment	7	47,850	42,002
Deferred tax equivalent assets	4	4,942	5,502
<b>Total non-current assets</b>		<b>52,792</b>	<b>47,504</b>
<b>Total assets</b>		<b>67,126</b>	<b>62,345</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1,097	538
Provisions - long service leave		53	41
Deferred income - infrastructure grants		294	244
Income tax equivalent liability	4	227	-
Borrowings	10	786	750
<b>Total current liabilities</b>		<b>2,457</b>	<b>1,573</b>
<b>Non-current liabilities</b>			
Provisions - long service leave		47	31
Borrowings	10	29,761	30,547
Deferred income - infrastructure grants		2,170	2,114
<b>Total non-current liabilities</b>		<b>31,978</b>	<b>32,692</b>
<b>Total liabilities</b>		<b>34,435</b>	<b>34,265</b>
<b>Net assets</b>		<b>32,691</b>	<b>28,080</b>
<b>Equity</b>			
Contributed capital	14	70,801	70,801
Asset revaluation surplus		819	464
Accumulated losses		(38,929)	(43,185)
<b>Total equity</b>		<b>32,691</b>	<b>28,080</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity**  
**For the year ended 30 June 2024**

	<b>Contributed capital</b>	<b>Asset revaluation surplus</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$,000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 1 July 2022</b>	<b>70,801</b>	<b>143</b>	<b>(52,826)</b>	<b>18,118</b>
Net profit after income tax equivalents	-	-	9,641	9,641
Other comprehensive income for the year				
Asset Revaluation Adjustments	-	321	-	321
<b>Balance as at 30 June 2023</b>	<b>70,801</b>	<b>464</b>	<b>(43,185)</b>	<b>28,080</b>
Net profit after income tax equivalents	-	-	5,329	5,329
Other comprehensive income for the year				
Asset Revaluation Adjustments	-	355	-	355
Dividends Paid	-	-	(1,073)	(1,073)
<b>Balance as at 30 June 2024</b>	<b>70,801</b>	<b>819</b>	<b>(38,929)</b>	<b>32,691</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Statement of Cash flows**  
**For the year ended 30 June 2024**

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers and grants		13,367	10,989
Interest received		630	383
Payments to suppliers and employees		(7,485)	(7,724)
Interest paid		(1,294)	(1,324)
Competitive neutrality fees paid		(233)	(238)
<b>Net cash flows from operating activities</b>	<b>19</b>	<b>4,985</b>	<b>2,086</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(3,008)	(1,358)
Proceeds on sale of property, plant and equipment		9	75
<b>Net cash flows used in investing activities</b>		<b>(2,999)</b>	<b>(1,283)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(1,073)	-
Repayment of borrowings		(750)	(719)
<b>Net cash used in financing activities</b>		<b>(1,823)</b>	<b>(719)</b>
<b>Net increase in cash and cash equivalents held</b>		<b>163</b>	<b>84</b>
Cash and cash equivalents at beginning of reporting period		12,519	12,435
<b>Cash and cash equivalents at end of reporting period</b>	<b>5</b>	<b>12,682</b>	<b>12,519</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



**1 Summary of material accounting policies**
**(a) Basis of preparation**

These general-purpose financial statements are for the period 1 July 2023 to 30 June 2024. The Gladstone Airport Corporation is a for-profit entity and these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

**(b) Going concern**

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

**(c) Basis of measurement**

The financial statements have been prepared under the historical cost convention, except for the following material items:

- freehold land, buildings and runways, taxiways and infrastructure - refer to Note 1(i); and
- DOGIT land - refer to Note 1(i)

GAC uses the Australian Dollar as its functional currency and its presentation currency.

**(d) Use of estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information that is considered to be relevant. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and in consultation with the parent entity, GRC, where applicable.

Estimates and assumptions that have a potentially significant effect are outlined in the following accounting policies:

Trade and other receivables – Note 1(g)

Valuation and Depreciation of Property, plant & equipment – Note 1(i), 1(j), 8 and 7

Impairment of non-current assets – Note 1(j)

Deferred income tax equivalent assets – Note 1(n), 4

**(e) Rounding**

The amounts presented in the financial statements have been rounded to the nearest thousand dollars or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Comparative information is generally restated for reclassifications, disclosure changes, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard/Comparative information is prepared on the same bases as prior year.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**1 Summary of material accounting policies (continued)**
**(g) Trade and other receivables**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less any allowance for expected credit losses. Settlement of these amounts is required within 30 days from invoice date.

The corporation has applied the simplified approach to measuring the expected credit losses, which used a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**(h) Capital work-in-progress**

The cost of property, plant and equipment which is constructed by GAC includes the cost of the purchased services, materials and direct labour. Upon completion of a capital project, all associated costs are transferred from capital work-in-progress to its appropriate classification as a non-current asset in the Statement of Financial Position.

**(i) Property, plant and equipment**
**Acquisition of Assets**

Acquisition of assets are initially recorded at cost. Cost is determined as the fair value of assets given as consideration plus costs incidental to the acquisition, including all other costs in getting the assets ready for use.

**Valuation**
**(i) Land, buildings, runways, taxiways, aprons and other infrastructure assets**

Land, Buildings, runways, taxiways, aprons and other infrastructure assets are measured at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

An external, independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued, values the portfolio not less than once every three years. In the years between valuations, the fair values are assessed with reference to appropriate indices to ensure they have not materially changed.

Freehold land is carried at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). The market value of the freehold land for GAC has been arrived at using the current zoning of airport use to arrive at the valuation.

DOGIT land is land which is provided under a deed of trusteeship. This land is provided to GAC with a defined purpose of use. This use is currently defined for airport purposes. The deed contains a number of specific covenants which cover issues such as tenure, use of land and the circumstances in which the use of this land can be terminated. The valuation methodology of DOGIT Land is in line with the valuation of Land, however is adjusted for the specific covenant above.

By definition a "Deed of Grant of Land in Trust" (DOGIT) is:

- (a) Land granted in fee simple in trust by the State; or
- (b) Documentary evidence of a grant, including an indefeasible title under the *Land Title Act 1994*.

Buildings are carried at fair value. The current replacement cost of buildings has been determined after consideration of physical, and economic obsolescence.

Runways, taxiways, aprons and other infrastructure assets are carried at fair value. The current replacement cost of runways, taxiways, aprons and other infrastructure assets has been determined after consideration of physical, and economic obsolescence.

Increases in the carrying amount arising on revaluation of land, buildings and infrastructure assets are credited to other comprehensive income and recognised in equity as a revaluation surplus. Decreases that offset previous increases of the same asset are recognised against the revaluation surplus.

**1 Summary of material accounting policies (continued)**
**(i) Property, plant and equipment (continued)**
**(ii) Plant and equipment, runways, taxiways, aprons and other infrastructure**

Plant and equipment are stated at cost less accumulated depreciation and impairment.

Historical costs include expenditure that is directly attributable to the acquisition of the items.

**Depreciation**

The depreciable amount of all property, plant and equipment including buildings and infrastructure but excluding freehold land, is depreciated on a straight-line basis or diminishing value basis over the asset's useful life to GAC.

Assets are depreciated from the date of acquisition or from the time the asset is held ready for use in respect of internally constructed assets. Depreciation commences from the time the asset is completed and commissioned ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>	<b>Depreciation Method</b>
Runways, taxiways and aprons	1% - 25%	Straight Line
Infrastructure	3% - 25%	Straight Line
Buildings	2.5% - 17%	Straight Line
Plant and equipment	2.6% - 25%	Straight Line
Plant and equipment	7.7% - 75%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**Asset thresholds**

Assets have predetermined thresholds for recognition purposes, which are in line with the parent entity. Amounts which exceed these thresholds are recognised as assets for financial reporting purposes in the year of acquisition:

Runways, taxiways, aprons & other infrastructure	\$10,000
Buildings	\$10,000
Plant & equipment	\$5,000
Land	\$1

Items with a lesser value are expensed in the year of acquisition.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the Statement of Comprehensive Income when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated losses.

**(j) Impairment of non-current assets**

Each non-current asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, management, with the Directors, determine the recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

An impairment loss is recognised immediately in the Statement of Comprehensive Income unless that asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant asset to the extent available.

**1 Summary of material accounting policies (continued)**
**(j) Impairment of non-current assets (continued)**

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase to the asset revaluation surplus.

The Corporation did not identify any indicators of impairment in the current year and therefore no impairment assessment was required. No impairment reversals were recorded in the current year.

**(k) Trade and other payables**

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing, recognised as a current liability and are normally settled within 30 days of invoice receipt.

**(l) Borrowing costs**

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which generally take more than twelve months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the asset. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs incurred are capitalised to that component of borrowing, net of any interest earned on those borrowings.

**(m) Asset revaluation surplus**

This reserve includes changes in the fair value of non-current assets, net of tax.

**(n) Taxation**

GAC is a State Body as defined in the *Income Tax Assessment Act 1936* and is exempt from Commonwealth income tax, but not from other Commonwealth and State taxes such as Fringe Benefits Tax (FBT), Goods & Services Tax (GST), income tax equivalents and payroll tax.

**(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(ii) Income tax equivalents**

Although exempt from Commonwealth income tax, GAC provides for taxation under the income tax rules in accordance with the Local Government Tax Equivalents Regime (LGTER). The LGTER is a Queensland Government tax revenue model that advocates the National Competition Policy Reforms, designed to encourage a better use of Australia's resources by enhancing efficiency through competition. The resulting tax is payable to the GRC rather than to the ATO.

The income tax equivalent expense/(benefit) for the year comprises current income tax and deferred tax expense. Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to (recovered from) the GRC under the LGTER. Deferred income tax equivalent expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax equivalent expense/(benefit) is charged or credited outside the Statement of Comprehensive Income when the tax relates to items that are recognised outside that statement.



**1 Summary of material accounting policies (continued)**
**(n) Taxation (continued)**
**(ii) Income tax equivalents (continued)**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred income tax is recognised from the initial recognition of assets or liabilities in a transaction that is not a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available against which the benefits of the deferred tax asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(o) Employee benefits**
*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, vesting personal leave, time off in lieu, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave, vesting personal leave, time off in lieu and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(p) Provisions**

Provisions are recognised when GAC has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(q) Revenue and other income**

Revenues are recognised at the time of sale or service delivery and at the value of the consideration received, net of the amount of the Goods & Services Tax (GST) payable to the Australian Taxation Office (ATO).

**(i) Aeronautical revenue**

The revenue comprises runway and terminal charges. Aeronautical revenue is charged on the basis of number of arriving and departing airline passengers and maximum take-off weight of landing scheduled and chartered airline aircraft at Gladstone Airport. General aviation is charged based on the maximum take-off weight of aircraft on landings only.

Recovery of the cost of Government mandated security measures in respect of passenger and baggage screening, is also included in aeronautical revenue.

Revenue of this nature is recognised upon passenger arrival and departure as all performance obligations are satisfied at this point in time.

**1 Summary of material accounting policies (continued)**
**(q) Revenue and other income (continued)**
**(ii) Property revenue**

This revenue is received from the rental of areas including advertising space within the terminal, buildings and other leased assets.

It includes revenues received from the use of airport car parks, and revenue from concessionaires based on their turnover. Revenue of this nature is recognised as it is earned in accordance with the underlying lease agreements.

**(iii) Retail revenue**

Retail revenue is earned from the Café ten28 and the Coffee Caravan.

Revenue is recognised at the point in time when the customer obtains control of the goods which is generally at the time of delivery.

**(iv) Grant revenue**

Grant revenue in relation to infrastructure projects is recognised as deferred income in the Statement of Financial Position and amortised over the useful life of the assets to which they relate.

**(r) Maintenance**

Airport pavements, roads, leasehold improvements, plant and machinery of GAC are required to be maintained on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred. Other routine operating maintenance, repair and minor renewal costs are expensed as incurred.

**(s) Financial Instruments**
**(i) Initial recognition**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when GAC becomes a party to the contractual provisions of the instrument.

**(ii) Classification and subsequent measurement**

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - at amortised cost
- Receivables - at amortised cost
- Payables - at amortised cost
- Borrowings - at amortised cost

GAC does not enter into transactions for speculative purposes. GAC has a fixed rate loan from GRC but otherwise undertakes no hedging.

All other disclosures relating to the measurement and financial risk management of financial instruments held by GAC are included in Note 13.

**(t) New accounting standards**

In the current year GAC adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. This includes AASB 2021-2 *Amendments to Australian Accounting – Disclosure of Accounting Policies and Definition of Accounting Estimates*, which requires entities to disclose their material accounting policy information rather than their significant accounting policies. Accordingly, the Airport has removed immaterial accounting policies in the current reporting period

**(u) New accounting standards for application in future periods**

GAC has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. GAC applies standards and interpretations in accordance with their respective commencement dates. This is not expected to have a material impact on the Corporation.

	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>2 Operating revenue</b>		
Aeronautical revenue	8,416	7,681
Retail revenue	241	-
Property revenue	2,371	2,099
	<b>11,028</b>	<b>9,780</b>

During 2024, GAC modified the classification of some operating revenue to more appropriately reflect the underlying nature of the transactions. As a result, 137 thousand (2023: 208 thousand) has been reclassified from "Retail Revenue" to "Property Revenue".

### 3 Expenses

#### (a) Finance Costs

GRC loan interest expense	1,294	1,324
Loan administration fees on-charged by GRC	45	46
Competitive neutrality margin payable to GRC	233	238
Bank charges	38	34
	<b>1,610</b>	<b>1,642</b>

#### (b) Employee and other benefits

Salaries and wages	1,788	1,637
Contributions to defined contribution plans	225	181
Other personnel expenses	432	190
	<b>2,445</b>	<b>2,008</b>

### 4 Income tax equivalents

#### Amounts recognised in Profit or Loss

##### Current income tax equivalents

Current year tax (expense)/benefit	(227)	-
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##### Deferred income tax equivalents

Origination and reversal of temporary differences	(1,365)	(1,987)
Recognition of previously unrecognised deductible temporary differences	923	4,058
<b>Total Tax equivalent (expense)/benefit</b>	<b>(669)</b>	<b>2,071</b>

**4 Income tax equivalents (continued)**
**Amounts recognised in Other Comprehensive Income**

	<b>2024</b>			<b>2023</b>	
	<b>\$ '000</b>			<b>\$ '000</b>	
	<b>Before tax</b>	<b>Tax (expense) benefit</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax (expense) benefit</b>
Revaluation of property, plant and equipment	473	(118)	355	428	(107)
				<b>2024</b>	<b>2023</b>
				<b>\$'000</b>	<b>\$'000</b>
Prima facie tax benefit on profit from ordinary activities before Tax at 25% (2023: 25%)				1,499	1,892
<b>Add tax effect of:</b>					
Entertainment (non-deductible)				1	2
Loan interest (non-deductible)				92	93
Recognition of previously unrecognised deductible temporary differences				(923)	(4,058)
				<b>669</b>	<b>(2,071)</b>
<b>Income tax equivalent (assets) liabilities</b>					
Income tax equivalent payable to GRC				(227)	-
<b>Tax equivalent assets</b>					
<b>Deferred tax equivalent assets are attributable to the following:</b>					
Property, plant and equipment				5,859	6,226
Employee benefits				58	43
Deferred income				616	590
Tax losses				-	206
Other				42	58
				<b>6,575</b>	<b>7,123</b>
<b>Deferred tax equivalent liabilities are attributable to the following:</b>					
Property, plant and equipment				(1,560)	(1,560)
Other				(73)	(61)
				<b>(1,633)</b>	<b>(1,621)</b>
<b>Net deferred tax equivalent assets</b>				<b>4,942</b>	<b>5,502</b>
Balance as at 1 July				5,502	3,538
Current year's deferred tax equivalent benefit				(442)	2,071
Current year's deferred tax equivalent expense recognised through equity				(118)	(107)
<b>Balance at 30 June</b>				<b>4,942</b>	<b>5,502</b>

Deferred tax assets relating to property, plant and equipment amounting to \$7,782,218 (2023: \$8,705,449) were not recognised in GAC's statement of financial position at 30 June 2024. GAC has recognised deferred tax assets to the extent they are estimated to be recoverable. There are no carried forward tax losses for which deferred tax assets have not been recognised.



<b>2024</b>	<b>2023</b>
<b>\$'000</b>	<b>\$'000</b>

**5 Cash and cash equivalents**

Cash on hand	1	-
Short-term bank deposits	12,681	12,519
	<b>12,682</b>	<b>12,519</b>

**6 Trade and other receivables**

Trade debtors	1,412	2,183
Less: Allowance for expected credit losses	(118)	(198)
	<b>1,294</b>	<b>1,985</b>
Accrued income	57	50
	<b>1,351</b>	<b>2,035</b>

	<b>Within 1 Year \$'000</b>	<b>1 to 5 Years \$'000</b>	<b>Over 5 Years \$'000</b>	<b>Total \$'000</b>
<b>2024</b>				
<b>Financial Assets</b>				
Trade and other receivables	1,469	-	-	1,469
<b>2023</b>				
<b>Financial Assets</b>				
Trade and other receivables	2,233	-	-	2,233

Contracted cash flows in relation to future lease rentals which are not recorded in the statement of financial position, are disclosed in Note 18.

**7 Property, plant and equipment**
**(a) Movements in carrying amounts**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold land	DOGIT land	Buildings	Runways, taxiways, aprons and infrastructure	Plant and equipment	Work in Progress	Total
Basis of measurement	F.V.	F.V.	F.V.	F.V.	Cost	Cost	
Asset values	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross carrying value</b>							
Opening value as at 1 July 2022	6,793	799	28,967	48,679	4,329	2,597	92,164
Additions	-	-	-	-	-	1,358	1,358
Disposals	-	-	-	-	(232)	-	(232)
Transfers	-	-	19	3,586	199	(3,804)	-
Fair value increment to asset revaluation surplus	142	194	11	304	-	-	651
Fair value increment to statement of comprehensive income	1,708	17	1,056	10,758	-	-	13,539
Movements between categories	-	-	-	476	(476)	-	-
<b>Closing value at 30 June 2023</b>	<b>8,643</b>	<b>1,010</b>	<b>30,053</b>	<b>63,803</b>	<b>3,820</b>	<b>151</b>	<b>107,480</b>
<b>Accumulated depreciation and impairment</b>							
Opening value as at 1 July 2022	-	-	(18,203)	(34,149)	(3,235)	-	(55,587)
Depreciation expense	-	-	(380)	(1,010)	(165)	-	(1,555)
Depreciation on disposals	-	-	-	-	217	-	217
Fair value increment to asset revaluation surplus	-	-	(7)	(216)	-	-	(223)
Fair value increment to statement of comprehensive income	-	-	(686)	(7,644)	-	-	(8,330)
Movement between categories	-	-	-	(40)	40	-	-
<b>Closing value at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>(19,276)</b>	<b>(43,059)</b>	<b>(3,143)</b>	<b>-</b>	<b>(65,478)</b>
<b>Carrying amount at 1 July 2022</b>	<b>6,793</b>	<b>799</b>	<b>10,764</b>	<b>14,530</b>	<b>1,094</b>	<b>2,597</b>	<b>36,577</b>
<b>Carrying amount at 30 June 2023</b>	<b>8,643</b>	<b>1,010</b>	<b>10,777</b>	<b>20,744</b>	<b>677</b>	<b>151</b>	<b>42,002</b>
<b>Range of estimated useful life in years</b>	N/A	N/A	6-38	3-91	1-38	N/A	

**7 Property, plant and equipment (continued)**

	Freehold land	DOGIT land	Buildings	Runways, taxiways, aprons and infrastructure	Plant and equipment	Work in Progress	Total
Basis of measurement	F.V.	F.V.	F.V.	F.V.	Cost	Cost	
Gross carrying value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair Value</b>							
Opening value as at 1 July 2023	8,643	1,010	30,053	63,803	3,820	151	107,480
Additions	-	-	-	-	-	3,008	3,008
Disposals	-	-	-	(463)	(314)	-	(777)
Transfers	-	-	497	2,406	122	(3,025)	-
Fair value increment to asset revaluation surplus	58	58	150	994	-	-	1,260
Fair value increment to statement of comprehensive income	267	-	8,750	4,354	-	-	13,370
<b>Closing value as at 30 June 2024</b>	<b>8,968</b>	<b>1,068</b>	<b>39,450</b>	<b>71,094</b>	<b>3,628</b>	<b>134</b>	<b>124,342</b>
<b>Accumulated depreciation and impairment</b>							
Opening value as at 1 July 2023	-	-	(19,276)	(43,059)	(3,143)	-	(65,478)
Depreciation expense	-	-	(398)	(1,151)	(173)	-	(1,722)
Depreciation on disposals	-	-	-	339	303	-	642
Fair value increment to asset revaluation surplus	-	-	(106)	(681)	-	-	(787)
Fair value increment to statement of comprehensive income	-	-	(6,165)	(2,982)	-	-	(9,147)
<b>Closing value as at 30 June 2024</b>	<b>-</b>	<b>-</b>	<b>(25,945)</b>	<b>(47,534)</b>	<b>(3,013)</b>	<b>-</b>	<b>(76,492)</b>
<b>Carrying amount at 1 July 2023</b>	<b>8,643</b>	<b>1,010</b>	<b>10,777</b>	<b>20,744</b>	<b>677</b>	<b>151</b>	<b>42,002</b>
<b>Carrying amount at 30 June 2024</b>	<b>8,968</b>	<b>1,068</b>	<b>13,505</b>	<b>23,560</b>	<b>615</b>	<b>134</b>	<b>47,850</b>
<b>Range of estimated useful life in years</b>	N/A	N/A	6-37	3-90	1-37	N/A	

**7 Property, plant and equipment (continued)****(i) Land**

Land was measured at fair value on 30 June 2024 by Marsh and McLennan. Fair value was derived by reference to market based evidence including observable sales data for properties of similar nature and specification, whilst being adjusted for size, location, zoning and features. Due regard for highest and best use of each parcel of land was taken into consideration.

As part of the valuation undertaken by an independent external expert, a fair value adjustment was applied to the land (freehold and DOGIT) asset classes. This adjustment was processed in the statement of comprehensive income to the extent that it reversed a previous decrement in the statement of comprehensive income with the balance being recognised in the asset revaluation surplus. These adjustments are shown in Note 8(a).

**(ii) Buildings**

Buildings were measured at fair value on 30 June 2024 by Marsh and McLennan. The valuation methodology was determined by having regard to the existence of a market, the level of specialisation of the assets and the availability of sales evidence, resulting in both level 2 and level 3 valuation inputs. Due regard for highest and best use of the assets was taken into consideration.

Given the specialised nature of the main airport assets, the valuation adopted the current replacement cost approach to these assets, a level 3 assessment under AASB 13. Under this approach the cost to replace the asset is calculated and then adjusted to take into account accumulated depreciation. The valuer disaggregated the building into different components and for each component determined a value based on the inter-relationship between a range of factors. These included asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.

In determining the valuation of level 2 inputs, the valuation adopted a market value approach taking into account sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs in this valuation approach are price per square meter.

As part of the valuation undertaken by an independent external expert, a fair value adjustment was applied to the buildings asset class. This adjustment was processed in the statement of comprehensive income to the extent that it reversed a previous decrement in the statement of comprehensive income with the balance being recognised in the asset revaluation surplus. These adjustments are shown in Note 8(a).

**(iii) Runways, taxiways, aprons and infrastructure**

Runways, taxiways, aprons and infrastructure are measured at fair value. A valuation was undertaken by Marsh and McLennan at 30 June 2024 to arrive at a fair value.

These assets were valued using the application of unit rates. Unit rates are developed by summing each component which goes into producing a unit (be it metres, square metres, tonnes, etc) of an asset. The major components of any asset are the raw materials, plant, labour and overheads. These unit costs are then applied to known measurements of the assets to produce a replacement cost, which is then depreciated to estimate the Fair Value.

As part of the valuation undertaken by an independent external expert, a fair value adjustment was applied to the runways, taxiways, aprons and infrastructure asset class. This adjustment was processed in the statement of comprehensive income to the extent that it reversed a previous decrement in the statement of comprehensive income with the balance being recognised in the asset revaluation surplus. These adjustments are shown in Note 8(a).



## 8 Fair value measurements

GAC values certain classes of assets at fair value and discloses fair value measurement in accordance with AASB 13 *Fair Value Measurement*.

### Recognised fair value measurements

GAC measures and recognises the following assets at fair value on a recurring basis:

- Freehold land;
- DOGIT land;
- Buildings;
- Runways, taxiways, aprons and infrastructure

GAC does not measure any liabilities at fair value on a recurring basis.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in Level 3.

There were no transfers between levels of the hierarchy during the year.

The table presents GAC's assets measured and recognised at fair value.

	Note	2024 \$'000	2023 \$'000
<b>Recurring fair value measurements</b>			
Freehold land (Level 2)	7	8,968	8,643
DOGIT land (Level 2)	7	1,068	1,010
Buildings (Level 2, 3)	7	13,505	10,777
Runways, taxiways, aprons & infrastructure (Level 2,3)	7	23,560	20,744
		<b>47,101</b>	<b>41,174</b>

## 9 Trade and other payables

Trade payables and accrued expenses	863	341
GST, PAYG, payroll tax payable	101	94
Employee entitlements - annual and personal leave	133	103
	<b>1,097</b>	<b>538</b>

## 10 Borrowings

Loan secured - GRC (current)	786	750
Loan secured - GRC (non-current)	29,761	30,547
	<b>30,547</b>	<b>31,297</b>

Effective 1 July 2021, GAC and GRC varied the existing loan agreement, extending the term of the loan to 30 June 2041, along with the repayment terms. This resulted in a substantial modification to the loan terms. Accordingly, GAC measured the revised loan at fair value of \$32.708M at this date. GAC and GRC agreed that the effect of the debt restructure would be treated as a contribution of equity.

As at 30 June 2024, the loan was secured by a fixed and floating charge over GAC's assets and undertakings.

## 11 Contingent liabilities and contingent assets

As at the date of signing these financial statements, no contingent assets or liabilities were identified.

## 12 Events after the reporting period

There have been no circumstances or events, outside what has already been disclosed in this annual report, that has significantly affected, or may significantly affect the entity's operations or the results of those operations in future financial years.

## 13 Financial instruments

### Financial risk management policies

Policies are developed by the Finance and Audit Committee and recommended to the Board for approval on a regular basis.

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. GAC is exposed to various risks including liquidity, interest rate, market and credit risks. These risks are an inherent part of the operations of an airport. GAC manages these risk exposures using various financial instruments, governed by a set of policies approved by the Board. GAC's policy is not to enter, issue or hold derivative financial instruments for speculative trading purposes and the Board may consider different methods to assess and manage different types of risk to which it is exposed.

These methods include correlations between risk types, sensitivity analysis in the case of interest rates, price risks, ageing analysis and sensitivity analysis for liquidity risk and credit risk.

There have been no substantive changes in the types of risks GAC is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks during the reporting period.

### (a) Credit risk

Credit risk is the potential loss from a transaction in the event of default by the counterparty during the term of the transaction or on settlement of the transaction. GAC conducts transactions with trade debtors - the credit risk is the recognised amount, net of any impairment losses. As at 30 June 2024, trade debtors amounted to \$1,412,692 (2023: \$2,183,085). GAC's main credit risk is associated with airlines. Within the Aviation Industry, significant amounts of credit risk are attributable to airline operators. Whilst the Aviation Industry has been significantly impacted by COVID-19 in recent years the allowance for expected credit losses of \$0.118m (2023: \$0.198m) has not been impacted significantly given the key debtors remain operational, no increased credit risk has been observed for these debtors and outstanding debtors are expected to be received in full.

At 30 June 2024, the exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows:

	2024 \$'000	2023 \$'000
Airline customers	1,236	1,976
Retail customers	4	-
Other	229	257
	<b>1,469</b>	<b>2,233</b>

**13 Financial instruments (a) Credit risk (continued)**
*Movement in allowance for impairment in respect of trade receivables and contract assets*

	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Opening balance	198	146
Amounts written off	(207)	-
Net remeasurement of loss allowance	127	52
	<b>118</b>	<b>198</b>

**(b) Liquidity risk**

Liquidity risk is the risk that GAC will encounter difficulty in meeting obligations associated with financial liabilities. GAC manages liquidity risk by targeting a minimum liquidity level, ensuring long-term commitments are managed with respect to forecast available cash inflows and maintaining a strong relationship with the GRC. The ability of GAC to meet its obligation to its lender is largely dependent upon cashflows generated by passenger volumes and aircraft movements.

The following table sets out the entity's remaining contractual maturity for its liquidity risk in relation to financial liabilities held by GAC. It represents the undiscounted contracted cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements. The table includes both interest and principal cash flows and therefore these totals may differ from their carrying amount in the Statement of Financial Position.

**Financial liability maturity analysis**

	<b>Within 1 Year</b>	<b>1 to 5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<b>2024</b>				
<b>Financial Liabilities due for payment</b>				
Trade and other payables	1,097	-	-	1,097
Secured loan - Gladstone Regional Council	2,043	8,173	40,145	50,361
Total contractual outflows	<b>3,140</b>	<b>8,173</b>	<b>40,145</b>	<b>51,458</b>
<b>2023</b>				
<b>Financial Liabilities due for payment</b>				
Trade and other payables	538	-	-	538
Secured loan – Gladstone Regional Council	2,043	8,173	42,188	52,404
Total contractual outflows	<b>2,581</b>	<b>8,173</b>	<b>42,188</b>	<b>52,942</b>

**(c) Market Risk**
*Interest rate risk*

The Airport's main interest rate risk arises from long-term borrowings. Borrowings are at fixed rates.

*Exposure to interest rate risk*

The interest rate profile of the Airport's interest-bearing financial instruments are as follows:

	<b>2024</b>	<b>2023</b>
	\$ '000	\$ '000
Financial assets (variable rate)	12,681	12,519
Financial liabilities (fixed rate)	(30,547)	(31,297)
	<b>(17,866)</b>	<b>(18,778)</b>

*Fair value sensitivity analysis*

The Airport does not account for any financial assets or financial liabilities at FVTPL and does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by 127 thousand (2023: 125 thousand). This analysis assumes that all other variables remain constant.

**14 Contributed capital**

GRC passed a resolution on 19 June 2012 to effect corporatisation of GAC on 1 July 2012, under the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed), the relevant provisions in the legislative instruments were 'saved' by the legislature in order to allow their continued application to any corporate entity previously established by a local government under the LGA. Equity comprised the value of net assets and liabilities contributed at 1 July 2012, amounting to \$41,793,000.

In 2014, \$28,000,000 in debt was converted to equity.

In 2022, \$1,008,246 in debt was converted to equity.

	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Contributed capital</b>	70,801	70,801

**15 Commitments**
*Capital Commitments*

Committed at the reporting date by not recognised as liabilities

Property, plant and equipment	-	82
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**16 Key management personnel disclosures**

<b>2024</b>	<b>2023</b>
\$'000	\$'000

Key management personal (KMP) include the Directors and CEO.

The aggregate compensation made to KMP of the company is set out below:

Short-term employee benefits	458	435
Post-employment benefits	50	46
Long-term benefits	4	-
	<b>512</b>	<b>481</b>

**17 Related party transactions**

<b>2024</b>	<b>2023</b>
\$'000	\$'000

GRC charged GAC the following amounts throughout the year:

Administration and IT services*	63	56
Loan administration services (Note 3 (a))*	45	46
Competitive neutrality expenses (Note 3 (a))	233	238
Loan repayments (principal and interest)	2,043	2,043
Current Income tax equivalents expense	227	-
Rates, water and cleansing charges	108	98

\* These charges are levied on a cost-recovery basis by GRC.

GRC does not provide any services to GAC at no cost.

**17 Related Party Transactions (continued)**

The following payable balances to GRC are outstanding at the reporting date:

**Current**

Trade payables	6	5
Income tax equivalents (Note 4)	227	-
Competitive neutrality fee	58	59
Loan administration fee	11	11

**18 Leases**
**Gladstone Airport Corporation as a lessee**
**Equipment**

GAC leases an office printer for administrative use. Associated expenses are recorded in the Statement of Comprehensive Income amounting to \$4,000 (2023: \$4,000).

**Gladstone Airport Corporation as a lessor**

When GAC is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains any non-lease components, then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

GAC does not have any finance leases. GAC's operating leases relate to the residential and other tenancies within the Airport. Rent from investment and other property is recognised as income on a periodic straight-line basis over the lease term.

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of GAC, accumulated allowance for uncollected minimum lease payments receivable or contingent rents recognised as income applicable to the leases.



**18 Leases (continued)**

The minimum guaranteed lease receipts are as follows:

	2024 \$'000	2023 \$'000
Not later than one year	879	791
Between 1 and 2 years	825	767
Between 2 and 3 years	687	766
Between 3 and 4 years	675	752
Between 4 and 5 years	-	796
Later than five years	-	-
	<b>3,066</b>	<b>3,872</b>

**19 Reconciliation of profit after income tax equivalents to net cash from operating activities**

	2024 \$'000	2023 \$'000
<b>Profit after income tax equivalents for the year</b>	5,329	9,641
Non-cash operating items:		
Depreciation	1,722	1,555
Revaluation of non-current assets	(4,224)	(5,209)
Allowance for expected credit losses	(80)	52
(Profit) loss on disposal of property, plant and equipment	126	(60)
Changes in operating assets and liabilities:		
Increase in inventories	(7)	-
Decrease (increase) in trade and other receivables	764	(475)
Increase in prepayments	(7)	(27)
Decrease (increase) in deferred tax assets	442	(2,071)
Increase (decrease) increase in trade and other payables	559	(1,663)
Increase (decrease) in provisions	28	(15)
Increase in deferred income	106	358
Increase in income tax equivalent liability	227	-
<b>Net cash flows from operating activities</b>	<b>4,985</b>	<b>2,086</b>

**Directors' Declaration  
for the year ended 30 June 2024**

In the Directors' opinion:

- i. these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.
- ii. the attached financial statements and notes thereto give a true and fair view of GAC's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- iii. there are reasonable grounds to believe that GAC will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Mrs A Ward  
Chair

Dated this 14th day of October 2024

## INDEPENDENT AUDITOR'S REPORT

To the Members of Gladstone Airport Corporation

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Gladstone Airport Corporation.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the directors' declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

The directors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Responsibilities of the entity for the financial report**

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of my auditor's report.



William Cunningham  
as delegate of the Auditor-General

18 October 2024

Queensland Audit Office  
Brisbane